

**Testimony of Sarah White,
Connecticut Co-Chair of the National Association of Consumer Advocates,
in Support of S.B. 833 and H.B. 6372**

My name is Sarah White, and I am an attorney and the Connecticut Co-Chair of the National Association of Consumer Advocates (NACA). NACA is a national, non-profit association of attorneys and consumer advocates committed to promoting justice for consumers. Connecticut NACA members assist consumers on a range of legal issues, such as abusive sales and collection practices, racial discrimination in lending, and inaccurate credit reporting that keeps consumers from getting a new home or job. **We support the common-sense protections to consumers proposed in S.B. 833 and H.B. 6372.**

We support an automatic exemption of the \$1,000 “wild card” in consumers’ bank accounts. Connecticut law already protects from collection \$1,000 in a consumer’s bank account, an important cushion that ensures consumers still have access to funds to pay for rent, food, and other essential bills. But the current process to exempt this \$1,000 “wild card” is slow and unwieldy—the bank has to freeze funds (even if it knows the funds should be exempt) and mail a notice to the consumer, and the consumer must affirmatively file a claim with the court to actually exempt these funds. This process takes weeks, during which consumers may not have access to critical funds they need to pay essential bills. Some consumers who are not yet aware that their account is without funds may overdraw their accounts or bounce checks, causing them to incur additional fees. Other consumers who are confused or intimidated by the court process may not claim the exemption at all, resulting in the loss of money that should be exempt from collection.

Banks already automatically protect other funds from execution, and it’s common-sense for them to also automatically protect the \$1,000 “wild card.” Banks automatically protect direct-deposited Social Security and VA benefits. Bank also automatically protect the first \$1,000 of income in an account from work, child support, or unemployment. The \$1,000 “wild card” is readily identifiable in a consumer’s account by the bank, and there is no need for it to freeze these funds for weeks or for the consumer to affirmatively claim this money through a court process. New York has implemented a similar process to automatically protect exempt funds. Doing so in Connecticut will eliminate mailings and paperwork for both the consumer and the bank and simplify court processes. It will also protect low-income consumers from the

collateral consequences of collection and ensure that they have continued access to the exemptions our law provides for.

We also support the cost-of-living update for protections from repossession for motor vehicle owners. Connecticut law dating back to the mid-1970s protects owners of modestly priced used vehicles from having their car repossessed, sold for a pittance, and then sued for the balance (plus the cost of the repossession and sale). But until recently, the \$2,000 threshold set in the 1970s had not been updated, and it still does not reflect the 2021 equivalent value, which should be close to \$9,000. This bill would increase the threshold to its present equivalent and automatically increase this threshold for inflation in the future so that vehicle owners are protected from this abusive practice.

We strongly urge the committee to pass H.B. 833 and S.B. 6372. If the committee has any questions, my email is swhite@ctfairhousing.org and my phone number is 860-263-0726. Thank you for your consideration.